THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Decisions regarding income-tax concessions including those on small savings schemes are part of the budgetary processes. The Government's decision, if any, shall be reflected in the Finance Bill.

(c) and (d) The income tax limit is fixed after due deliberation as part of the budgetary processes. The Government's decision, if any, shall be reflected in the Finance Bill.

Autonomy to GIC

974. SHRI JIBON ROY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have effected complete functional autonomy in personnel matters, investments and reinsurance etc. to subsidiary companies of General Insurance Corporation of India; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) After the entry of private insurance companies into the Indian insurance sector, it was required for the Government to approve an Indian re-insurer to enable the insurance companies, both in private and public sector, to reinsure their business in India. Keeping in view the expertise, experience and financial strength of General Insurance Corporation of India (GIC), the Government under Section 101 A (8) (ii) of the Insurance Act, 1938 approved GIC as the "Indian Reinsurer" on 30.11.2000. After such approval, it was required under the law for GIC to cease underwriting insurance business directly or through its subsidiaries. Therefore, the Government directed GIC to grant operational and functional autonomy to its four subsidiary companies on personal, investment and reinsurance matters.